

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



MAY 24 2004

The Honorable Haley Barbour
Office of the Governor
P.O. Box 139
Jackson, Mississippi 39205

Dear Governor Barbour:

It is with pleasure that I respond to the State of Mississippi's request for a waiver of regulatory requirements under the Workforce Investment Act (WIA) in accordance with the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by WIA Section 189(i)(4)(A), and in the implementing regulations at 20 CFR 661.420.

The following is the disposition of the waiver submission.

Requested Waiver: Waive the provision of 20 CFR 664.510 to allow local areas to use Individual Training Accounts for older and out-of-school youth participants.

The State of Mississippi is requesting a waiver (copy enclosed) of the prohibition on the use of Individual Training Accounts (ITAs) for youth found at 20 CFR 664.510. The State indicates that the waiver would provide increased flexibility for local areas to implement and manage innovative workforce investment systems that are efficient and responsive to the local labor market and individual participant needs, aptitudes and interests. It further states that a waiver would enhance youth programs through individualized services that emphasize customer choice in academic and occupational learning. The waiver is written in accordance with WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for waiver approval at 20 CFR 661.420(e).

Accordingly, the State of Mississippi is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510 so they can benefit from services provided by the State's certified eligible training providers. Under the waiver, local workforce boards will have the option to use the Eligible Training Provider system to secure training providers for these two youth populations, as appropriate. The waiver is granted through June 30, 2005.

The granted waiver is incorporated by reference into the State's WIA Grant Agreement, as provided under paragraph 3 of the executed Agreement, and also constitutes a modification of the State's approved five-year strategic plan.

A letter is being sent to your State WIA Liaison, which supplements this notification letter and specifically defines the terms and conditions that apply to the granted waiver. A copy of each letter should be filed with the State's WIA Grant Agreement and approved five-year plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other State and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in cursive script, reading "Emily Stover DeRocco". The signature is fluid and stylized, with the first and last names being more prominent.

Emily Stover DeRocco

Enclosure

State of Mississippi
Workforce Investment Act
Waiver Request:
Individual Training Accounts for Older Youth

The Mississippi Development Authority- Employment Training Division (MDA-ETD), as the administrative entity of the Workforce Investment Act (WIA) in the State of Mississippi, submits this request for a general waiver to allow the use of WIA formula youth funds to provide training services to eligible WIA youth through the issuance of Individual Training Accounts (ITAs).

This proposed waiver will provide the Local Boards with greater flexibility for responding to the needs of their customers, and will help ensure that the WIA funds allocated to each local area are being utilized in a way that will maximize customer service. The waiver will apply to Program Year 2003 and subsequent years.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(b) and 20 CFR Part 661.420(c), please accept the following as a request for a waiver.

1. Identification of Statutory or Regulatory Requirements to be Waived-

WIA Section 129 and 20 CFR 664.510 prohibit the use of designated WIA formula youth funds for an Individual Training Account (ITA) delivery system for youth. Current law allows older youth to receive ITAs only if they are dually enrolled in the Adult service delivery system. Youth below 18 years of age cannot utilize the Adult system.

This regulation has impacted the performance measures for older youth in Mississippi's six local workforce areas. If out-of-school youth are enrolled as adults in order to receive ITAs, the youth performance standards are negatively affected. It is also cost prohibitive to process youth in two service delivery systems.

2. Actions Undertaken by the State to Remove State or Local Statutory or Regulatory Barriers-

There are no State or local statutory or regulatory barriers to implementing the proposed waiver.

3. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted-

The paramount goal such a waiver would achieve is increased flexibility for the local areas to implement and manage innovative and comprehensive workforce

State of Mississippi
Older Youth ITA Waiver Request
Page 2 of 4

investment systems that are efficient and responsive to the labor market and individual participant needs, aptitudes and interests. Approval of this waiver would allow the local area to streamline the provision of services and information to individual youth participants through the One-Stop delivery system known in Mississippi as the WIN Job Centers.

Other expected outcomes include:

- The enhancement and improvement of local area youth programs through individualized services that emphasize customer choice in academic and occupational learning;
- Removal of barriers to employment for out-of-school youth;
- More direct and efficient methods to meet the immediate needs of job seekers and employers by utilizing available funds to provide individuals specific training in self-sufficiency-level demand occupations;
- Improvement of customer satisfaction ratings through the provision of informed customer choice that is directly aligned with the local labor market and the assessed aptitudes and interests of each youth participant;
- Reduction of costs to local areas in terms of paperwork, procurement, oversight, and management of the current system of service delivery; and
- Increased ability of the local areas to meet and exceed the required negotiated performance measures, including number of youth entering employment, percentage of youth receiving credentials, and number of youth retaining employment.

The receipt of ITAs will be only one of the options available to out-of-school youth. The primary goal when serving out-of-school youth will continue to be attainment of a high school diploma or GED. Out-of-school youth will be counseled to reenter programs to finish GED or diploma requirements before they are considered for receiving ITAs. ITAs will only be issued after comprehensive assessments of eligible participants and the development of individual service plans for those participants. The use of ITAs for youth will enhance rather than supplant current delivery systems, including traditional academic programs.

Although all youth will be encouraged to earn high school diplomas or the equivalent, some individuals will not be ready to pursue that goal. Most training programs include a GED/diploma element or a basic skills development component. Therefore, participation in specific short-term occupational skills training programs that lead to sustainable employment may also move those youth closer to attainment of diplomas or the equivalent.

State of Mississippi
Older Youth ITA Waiver Request
Page 3 of 4

The issuance of ITAs to eligible youth will require the development of a comprehensive plan for delivery of services in accordance with local area recommendations. Local Youth Councils and Local Workforce Investment Boards will provide guidance in the development of the implementation plans for their areas. The plans will reflect area-specific performance outcomes.

4. Individuals Impacted by the Waiver-

The ITA process is applicable generally to older youth who do not wish to pursue post-secondary education but who may lack the skills to be successful in employment. Youth who are under 18 years of age may also occasionally qualify for this type of service. All WIA Older Youth who are in need of training services, but who do not currently qualify for ITAs, will benefit from the waiver.

Additionally, Local Boards can benefit from the waiver, as they will not have to direct limited administrative resources to costly and labor-intensive competitive procurement processes seeking entities to serve older youth.

Finally, training providers benefit because they will not be required to follow two separate processes to serve Adults and Dislocated Workers and Older/Out-of-School Youth.

5. Process Used to Monitor Progress Upon Implementation of the Waiver-

The Local Areas will monitor the issuance of ITAs to older youth by their areas' respective one-stop operators. Local areas will utilize existing oversight procedures to monitor the progress of the waiver toward meeting and surpassing the stated goals.

Additionally, the MDA-ETD, as the State administrator and overseer of WIA, will monitor the expenditure of funds in this manner by the Local Areas. The State's current monitoring policy and procedures will be modified to include this waiver.

6. Local Board and Public Review and Comment-

This request was developed as a result of concerns expressed by the State's six local workforce investment areas. As with all other major policy and procedural decisions made by the State, we relied heavily upon input from local area staff and boards. The problems with the current restrictions on establishing ITAs for older youth were discussed with the local areas to gain input on those problems and on the benefits of being granted this waiver. The waiver request was provided to the

State of Mississippi
Older Youth ITA Waiver Request
Page 4 of 4

local areas for review and comment prior to its submission. Local areas were encouraged to enlist input from their Local Workforce Investment Boards and Youth Councils when considering this waiver request. All local areas have verbally endorsed the waiver request. The MDA-ETD has received the attached written comments on the request to date. We will forward to the Department of Labor any additional written comments received after the submission of this waiver. No other formal public review process was undertaken.